Depositing the Premium in any Branch of LIC

1010. SHRI RAJNATH SINGH:
SHRIMATI MALTI SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that all branches of LIC have been computerised in Delhi;

(b) whether it is also a fact that premium amount to be deposited by consumers can be deposited only in the specified branch which results in great inconvenience for consumers; and

(c) whether Government propose to allow depositing of premium in any of the branches in view of LIC Network being computerised?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANATHANAN): Yes, Sir.

(b) and (c) The Life Insurance Corporation of India (LIC) has informed that they have taken steps to Network the Branches in Delhi and has applied to MTNL for eighty leased lines. Till the requisite number of leased lines are made available by the MTNL, the premium from policyholders can be accepted only in the specified Branches of LIC in Delhi.

Delinking of Credit Rating from Public Deposits

1011. SHRI PARMESHWAR KUMAR AGARWALLA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has delinked credit rating from the amount of public deposits, which banking and finance companies allowed to accept;

(b) if so, what are the factors that have weighed Reserve Bank to take this decision; and

(c) what are the details of the steps being taken/proposed to be taken to pull the sector out of the mire?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) As far as banking companies are concerned, there is no prescribed linkage between credit rating and the amount of public deposits. Such a linkage exists in the case of non-banking financial companies (NBFCs). The prescription of credit rating was made after careful consideration of the necessity and desirability thereof. It is necessary that the NBFCs which are mobilising deposits from the public, should be kept under constant vigil. It was, however, recognised that the regulations on deposit acceptance for NBFCs were somewhat restrictive for many good companies conducting their operations on sound business lines. The Task Force on NBFCs has in its report suggested some measures to be taken for strenthening the NBFC sector. Action has been initiated in consultation with the RBI for implementation of the recommendations of the Task Force.

Loans/Aids held up due to sanctions

1012. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) what has been the effect of sanctions on the 1998-99 budget;

(b) the loans or aid which are held up because of the sanctions; and

(c) the major projects, which are affected because of the sanctions?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) The impact of sanctions on disbursements of externally aided projects during 1998-99 is minimal. Hence the effect of sanctions on the budget during 1998-99 would be insignificant.

(b) and (c) Some fresh aid commitments are held up due to